

## Message Text

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PAGE 01 PARIS 22450 021742Z

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ACTION IO-10

INFO OCT-01 CIAE-00 CU-02 INR-07 NSAE-00 USIA-06 AF-06

ARA-06 EA-07 EUR-12 NEA-10 ISO-00 ABF-01 OMB-01 /069 W

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R 021730Z SEP 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 2690

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NESCO

E.O. 11652: N/A

TAGS: AORG, OCON, UNESCO

SUBJECT: UNESCO 98 EXBD: ITEM 4.1: NEW PROPOSAL RE  
PAYMENT OF CONTRIBUTIONS ON BASIS UNESCO UNIT  
OF ACCOUNT

REF: FORSTER TRANSMITTAL SLIP TO PERMDEL OF JULY 7,  
1975 WITH FORSTER-SAULS MEMOS RE NAJMAN-BLAKE  
MEMCON

1. PERMDEL ADVISED IN CONFIDENCE BY ASSISTANT  
COMPTROLLER GILLES DE LEIRIS (AMERICAN), THAT SECRETARIAT  
WILL INCLUDE UNDER EXBD AGENDA ITEM 4.1 (PREPARATION  
OF C/5 BIENNIUM PROGRAM AND BUDGET) A PROPOSAL FOR  
ESTABLISHING A NEW UNESCO UNIT OF ACCOUNT AS BASIS FOR  
PAYMENT MEMBER STATES ASSESSED CONTRIBUTIONS DURING 1977-  
78 BIENNIUM IN ORDER PROTECT UNESCO BUDGETS FROM SHARP  
FLUCTUATIONS IN DOLLAR EXCHANGE RATES.

2. ACCORDING TO DE LEIRIS NO DECISION WILL BE ASKED OF  
BOARD. INDEED, PROPOSAL AT THIS POINT WILL ONLY BE  
BROUGHT BEFORE BOARD FOR ITS REACTIONS AND ENTAILS  
FURTHER CONSULTATION WITH OTHER UN AGENCIES AND UN'S  
CCAQ, FURTHER CONSIDERATION BY 99TH EXBD NEXT SPRING AND  
FORMAL APPROVAL OF 19TH GENERAL CONFERENCE.

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PAGE 02 PARIS 22450 021742Z

3. WORKING DOCUMENT FOR BOARD SESSION NOW IN PREPARATION WILL SET FORTH CONCEPT OF CALCULATING ASSESSED CONTRIBUTIONS IN TERMS UNESCO UNITS OF ACCOUNT (UUA); A FORM OF INDEXATION OF CONTRIBUTIONS ACCORDING TO DOLLAR'S FLUCTUATION. UUA WILL COMPRISE 70 PER CENT IN FRENCH FRANCS AND 30 PER CENT IN US DOLLARS. THIS FF-DOLLAR COMPOSITION REFLECTS SECRETARIAT CALCULATIONS THAT 65 PER CENT OF UNESCO DISBURSEMENTS ARE IN FF, ANOTHER 5 PER CENT IN OTHER CURRENCIES WHICH TEND TO PARALLEL MOVEMENT OF FF IN RELATION TO DOLLAR AND REMAINING 30 PER CENT OF EXPENDITURES WHICH LARGELY IN DOLLARS.

4. FURTHER UCU WOULD REFLECT FF-DOLLAR EXCHANGE RATE ON WHICH C/5 BIENNIUM BUDGET BASED AND AS ADOPTED BY MEMBER STATES AT GENERAL CONFERENCES.

5. EACH MEMBER STATE WOULD BE CREDITED OR WOULD BE LEVIED ADDITIONAL PAYMENT AT THE END OF EACH YEAR ON BASIS ACTUAL EXCHANGE RATE MOVEMENTS OVER PRECEDING 12 MONTHS.

6. ABOVE SYSTEM DETAILED IN FRENCH LANGUAGE INTERNAL MEMORANDUM OF JULY 10, WHICH PERMDEL GIVEN BY DE LEIRIS IN CONFIDENCE AND WHICH BEING AIRPOUCHED TO DEPARTMENT. AS DEPARTMENT AWARE, UNESCO ACTING ADG FOR COOPEREX NAJMAN ADVISED DEPARTMENT DURING HIS JUNE 23 VISIT (SEE REF MEMCON) THAT UNESCO SECRETARIAT FORMULATING PROPOSAL TO DEAL WITH PROBLEM OF DOLLAR FLUCTUATION. PERMDEL WILL FORWARD UPON RECEIPT EXPLANATORY DOCUMENTS FOR 98TH EXECUTIVE BOARD SESSION THAT NOW BEING PREPARED.

7. PERMDEL WOULD APPRECIATE GUIDANCE FROM DEPARTMENT AS TO AT LEAST TENTATIVE USG REACTION WHEN "UUA" PROPOSAL RAISED FOR INITIAL DISCUSSION AT 98TH EXBD (SEPT 15 - OCT 10).

8. PLEASE ADVISE.  
GAMMON

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**Disposition Approved on Date:**  
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**TAGS:** AORG, OCON, UNESCO  
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